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## BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

TOM FORESE - Chairman  
BOB BURNS  
DOUG LITTLE  
ANDY TOBIN  
BOYD DUNN

MAY 22 2017

DOCKETED BY

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In the matter of:

Visionary Business Works, Inc., d/b/a  
Fleetronix, an Arizona corporation,

Robert Brian Brauer and Melissa Brauer,  
husband and wife,

Timothy John Wales and Stacey Wales,  
husband and wife,

Respondents.

DOCKET NO. S-20976A-16-0210

DECISION NO. 76078

**ORDER TO CEASE AND DESIST, ORDER  
FOR RESTITUTION, AND  
ORDER FOR ADMINISTRATIVE  
PENALTIES**

**Respondent: Visionary Business Works, Inc.**

On June 29, 2016, the Securities Division ("Division") of the Arizona Corporation Commission ("Commission") filed a Notice of Opportunity for Hearing Regarding Proposed Order to Cease and Desist, Order for Restitution, Order for Administrative Penalties, and Order for Other Affirmative Action (the "Notice") against Respondents Visionary Business Works, Inc., Robert Brian Brauer, Melissa Brauer, Timothy John Wales, and Stacey Wales.

On August 8, 2016, the Division served a copy of the Notice upon Visionary Business Works, Inc. by delivering the Notice to an agent of Visionary Business Works, Inc. authorized by law to receive service of process for it, namely the Arizona Corporation Commission pursuant to A.R.S. § 10-504(B). No request for a hearing or answer to the Notice has been filed by Visionary Business Works, Inc. as of April 24, 2017. Additionally, no representative of Visionary Business Works, Inc. appeared at the March 27, 2017, evidentiary hearing held for this matter.

**I.****FINDINGS OF FACT**

1. Visionary Business Works, Inc. ("Visionary") was a corporation that was organized under the laws of Arizona from April 30, 2007, to October 7, 2015. Visionary was headquartered in Chandler, Arizona and never had offices outside of Arizona. Visionary specialized in cloud-based fleet management solutions and did business under the name Fleetronix. Visionary has not been registered by the Commission as a securities salesman or dealer, and no Visionary securities have been registered by the Commission.

2. At all relevant times, Stacey Wales was the President of Visionary and was married to Timothy John Wales. Stacey Wales owned at least 51% of Visionary's stock.

3. At all relevant times, Timothy John Wales ("Tim Wales") was married to Stacey Wales and was the Vice-President of Visionary.

4. Stacey Wales and Tim Wales may be referred to collectively as "the Waleses."

5. Robert Brian Brauer ("Brauer") was the CFO of Visionary from December 2010 to May 2012.

6. The Waleses began building Visionary's fleet management software in March 2009.

7. In December 2010, Visionary hired Brauer as CFO. Brauer's responsibilities as CFO included preparing financial reports. The Waleses also tasked Brauer with finding investors by reaching out to his network.

8. The Waleses were at some point introduced to potential fleet management customers J.C. and J.D.L.C. Later, J.C. and J.D.L.C. considered, and may have eventually purchased, a license for international rights to sell Visionary services. J.C. and J.D.L.C. also became friends of the Waleses. J.C. and J.D.L.C. later asked to become equity investors in Visionary. The Waleses allowed J.C. and J.D.L.C. to invest in Visionary corporate stock because of their friendship.

9. In July 2011, J.C. and J.D.L.C. each invested \$113,250 and each received 10% of Visionary's common stock. J.C. and J.D.L.C. each signed subscription agreements for their stock

1 purchases, and Stacey Wales signed the subscription agreements on behalf of Visionary. J.C. and  
2 J.D.L.C.'s subscription agreements were dated July 2011, but did not specify a day.

3 10. Married couple J.W.W. and T.W. also invested in Visionary stock. J.W.W. and T.W.  
4 were friends of Brauer, and he encouraged them to invest in Visionary stock. Brauer visited them at  
5 their home in Arizona to discuss investing in Visionary, and while he was there he showed them  
6 spreadsheets of the company's financials on his computer.

7 11. Tim Wales also spoke with J.W.W. and T.W. about investing in Visionary. Tim Wales  
8 participated in a phone call with J.W.W., T.W., and Brauer. During the call, Tim Wales explained  
9 financial forecasts and he told them about the status of Visionary's sales and product development.

10 12. In July 2011, J.W.W. and T.W. invested \$300,000 and received 25% of Visionary's  
11 common stock. T.W. signed a subscription agreement for the stock purchase dated July 27, 2011, and  
12 Stacey Wales signed the subscription agreement on behalf of Visionary. Visionary also issued a stock  
13 certificate to T.W. signed by Stacey Wales and dated July 29, 2011.

14 13. The Wales also asked other family, friends, and referrals to invest in Visionary. After  
15 J.C., J.D.L.C., J.W.W., and T.W. ("the Investors") invested, Tim Wales, Brauer, and the Investors  
16 were still looking for more investors. Visionary did not give them any guidance or limits on how they  
17 could look for investors.

18 14. Although the Wales tasked Brauer with finding investors, Visionary had no systems  
19 to monitor or instruct Brauer about what he could tell potential investors because Brauer said he  
20 needed the freedom to talk to people. Visionary did not require that documents be vetted before Brauer  
21 could show them to potential investors. Visionary never prepared any written summary of risk  
22 disclosures, and instead trusted Brauer to know what risk disclosures were required. Brauer was  
23 supposed to be logging his contacts with potential investors, but Brauer said he did not understand the  
24 system, and no one forced him to use it.

25 15. Visionary raised a total of \$526,500 from the sale of its corporate stock to the  
26 Investors.



16. Because of a lack of funds, Visionary eventually defaulted on a secured commercial loan, and all of Visionary's assets were seized. The Investors have not received any of their investment funds back.

## II.

## CONCLUSIONS OF LAW

1. The Commission has jurisdiction over this matter pursuant to Article XV of the Arizona Constitution and the Securities Act.

2. Respondent Visionary offered or sold securities within or from Arizona, within the meaning of A.R.S. §§ 44-1801(15), 44-1801(21), and 44-1801(26).

3. Respondent Visionary violated A.R.S. § 44-1841 by offering or selling securities that were neither registered nor exempt from registration.

4. Respondent Visionary violated A.R.S. § 44-1842 by offering or selling securities while neither registered as a dealer or salesman nor exempt from registration.

5. Respondent Visionary's conduct is grounds for a cease and desist order pursuant to A.R.S. § 44-2032.

6. Respondent Visionary's conduct is grounds for an order of restitution pursuant to A.R.S. § 44-2032.

7. Respondent Visionary's conduct is grounds for administrative penalties under A.R.S. § 44-2036.

### III.

## ORDER

THEREFORE, on the basis of the Findings of Fact, and Conclusions of Law, the Commission finds that the following relief is appropriate, in the public interest, and necessary for the protection of investors:

1 IT IS ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Visionary, and any of  
2 Respondent Visionary's agents, employees, successors and assigns, permanently cease and desist  
3 from violating the Securities Act.

4 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2032, that Respondent Visionary  
5 shall, jointly and severally with all Respondents against whom orders are entered under Docket No.  
6 S-20976A-16-0210, pay restitution to the Commission in the principal amount of \$526,500 as a result  
7 of the conduct set forth in the Findings of Fact and Conclusions of Law. Payment is due in full on  
8 the date of this Order. Payment shall be made to the "State of Arizona" to be placed in an interest-  
9 bearing account controlled by the Commission. Any principal amount outstanding shall accrue  
10 interest at the rate of 10 percent per annum from the date of purchase until the date of this Order.  
11 Interest in the amount of \$304,544.79 has accrued from the dates of purchase to May 9, 2017.

12 IT IS FURTHER ORDERED that the restitution ordered in the preceding paragraph will  
13 accrue interest, as of the date of the Order, at the rate of the lesser of (i) ten percent per annum or (ii)  
14 at a rate per annum that is equal to one per cent plus the prime rate as published by the board of  
15 governors of the federal reserve system in statistical release H. 15 or any publication that may  
16 supersede it on the date that the judgment is entered.

17 The Commission shall disburse the funds on a pro-rata basis to investors shown on the records  
18 of the Commission. Any restitution funds that the Commission cannot disburse because an investor  
19 refuses to accept such payment, or any restitution funds that cannot be disbursed to an investor  
20 because the investor is deceased and the Commission cannot reasonably identify and locate the  
21 deceased investor's spouse or natural children surviving at the time of the distribution, shall be  
22 disbursed on a pro-rata basis to the remaining investors shown on the records of the Commission.  
23 Any funds that the Commission determines it is unable to or cannot feasibly disburse shall be  
24 transferred to the general fund of the state of Arizona.

25 IT IS FURTHER ORDERED, pursuant to A.R.S. § 44-2036, that Respondent Visionary shall  
26 pay an administrative penalty in the amount of \$25,000 as a result of the conduct set forth in the

1 Findings of Fact and Conclusions of Law. Payment is due in full on the date of this Order. Payment  
2 shall be made to the "State of Arizona." Any amount outstanding shall accrue interest as allowed by  
3 law.

4 IT IS FURTHER ORDERED that the administrative penalty ordered in the preceding  
5 paragraph will accrue interest at the rate of the lesser of (i) ten percent per annum or (ii) at a rate  
6 per annum that is equal to one per cent plus the prime rate as published by the board of governors  
7 of the federal reserve system in statistical release H. 15 or any publication that may supersede it on  
8 the date that the judgment is entered.

9 IT IS FURTHER ORDERED that payments received by the state of Arizona shall first be  
10 applied to the restitution obligation. Upon payment in full of the restitution obligation, payments  
11 shall be applied to the penalty obligation.

12 IT IS FURTHER ORDERED, that if Respondent Visionary fails to comply with this order,  
13 the Commission may bring further legal proceedings against Respondent Visionary, including  
14 application to the superior court for an order of contempt.

15 IT IS FURTHER ORDERED, that no finding of fact or conclusion of law contained in this  
16 order shall be deemed binding against any Respondent under this Docket Number other than  
17 Respondent Visionary.

18 IT IS FURTHER ORDERED that this Order shall become effective immediately.

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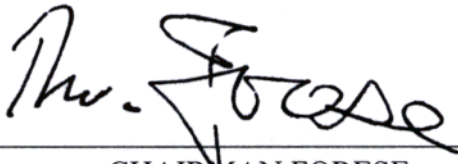
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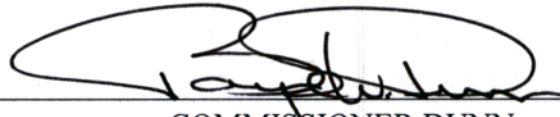
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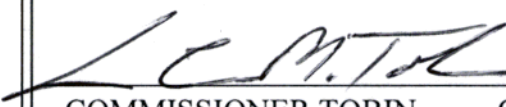
## BY ORDER OF THE ARIZONA CORPORATION COMMISSION



CHAIRMAN FORESE



COMMISSIONER DUNN



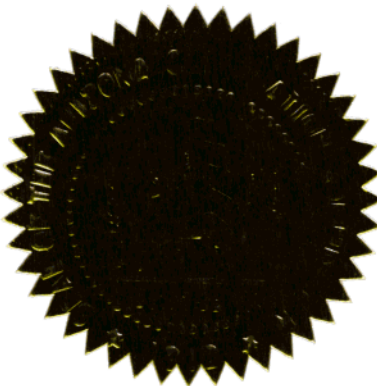
COMMISSIONER TOBIN



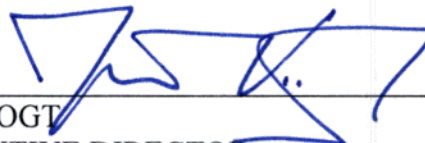
COMMISSIONER LITTLE



COMMISSIONER BURNS



IN WITNESS WHEREOF, I, TED VOGT, Executive Director of the Arizona Corporation Commission, have hereunto set my hand and caused the official seal of the Commission to be affixed at the Capitol, in the City of Phoenix, this 22nd day of May, 2017.


TED VOGT  
EXECUTIVE DIRECTOR

DISSENT

DISSENT

This document is available in alternative formats by contacting Kacie Cannon, ADA Coordinator, voice phone number (602) 542-3931, e-mail [kcannon@azcc.gov](mailto:kcannon@azcc.gov).

(PSK)

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3 COMMISSIONERS

4 TOM FORESE - Chairman  
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9 an Arizona corporation,

10 Robert Brian Brauer and Melissa Brauer, husband  
and wife,

11 Timothy John Wales and Stacey Wales, husband  
12 and wife,

13 Respondent.

) DOCKET NO. S-20976A-16-0210  
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**CERTIFICATION OF SERVICE OF  
PROPOSED OPEN MEETING AGENDA  
ITEM**

14  
15 On this 24th day of April, 2017, the foregoing document was filed with Docket Control as a  
16 Securities Division Memorandum & Proposed Order, and copies of the foregoing were mailed on  
17 behalf of the Securities Division to the following who have not consented to email service. On this  
18 date or as soon as possible thereafter, the Commission's eDocket program will automatically email  
19 a link to the foregoing to the following who have consented to email service.

20 Norman C. Keyt  
21 7373 E. Doubletree Ranch Rd., Suite 165  
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22 Attorney for Timothy Wales and Stacey Wales

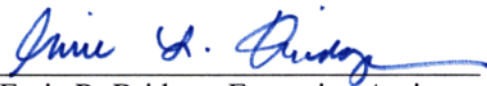
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